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C O N F I D E N T I A L ATHENS 001886

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TAGS: [PGOV](#) [PREL](#) [GR](#)

SUBJECT: GREEK PM NAMES NEW CABINET

REF: A. ATHENS 1861

[1](#)B. ATHENS 1853

[1](#)C. ATHENS 1834

[1](#)D. ATHENS 1826

[1](#)E. ATHENS 1804

[1](#)F. ATHENS 1785

[1](#)G. ATHENS 1682

Classified By: POLITICAL COUSELOR ROBIN QUINVILLE.

REASONS 1.4 (B) AND (D).

[11.](#) (C) SUMMARY: Naming his new cabinet on September 18, Prime Minister Kostas Karamanlis avoided major changes that would imply a new policy line. His primary aim appeared to be injecting new, younger blood to re-energize the government for his reform program. Most significantly, Karamanlis folded the Ministry of Public Order (responsible for the Police and Fire Service) under the Interior Ministry and named former CHOD Chinofotis as deputy minister in charge to replace controversial former Minister Polydoras. FM Bakoyannis remains in place, as does one of her deputies, Yiannis Valinakis. Surprising many observers, the leadership of the MOD remains unchanged, with party insider Meimarakis at its head. Former Development Minister Sioufas has become president (speaker) of the parliament and former Deputy Minister of the Economy Folias has been promoted to Development minister, whose portfolio includes the critical energy issue. END SUMMARY.

MFA: DORA REMAINS, BUT OTHERS IN MFA GO

[12.](#) (C) PM Karamanlis has retained FM Dora Bakoyannis -- a major ND figure in her own right and potential rival. Doing so means she will remain a key voice in controversial future decisions, such as Macedonia's NATO membership and Kosovo final status. Former Deputy FM Evripidis Stylianidis has been promoted to Minister of Education, replacing the highly unpopular Marietta Yiannakou (who came under a cloud last year for her handling of the government's proposed education reform and response to widespread student demonstrations and teachers' strikes). Deputy FM Valinakis will stay on board, while Petros Doukas -- corporate insider, former deputy minister of economy and, and son-in-law of sen`as also been named dep@eecefaces high-stakesdeals. Doukas told repr swearing-in, "I want to investment and energy. @HARGE AT MOD

[13.](#) (C) Confounding some predictions, Karamanlis has decided to keep in place DefMin Meimarakis, a party insider more interested in political campaigns than defense policy. But he also brought in two new deputy defense ministers, party insider Kostas Tasoulas and unknown Yannis Plakiotakis,

neither of whom has served in government at the national level before and who thus presumably lack the corrupt defense-procurement ties that have plagued many past deputy defense ministers.

CHINOFOTIS AT PUBLIC ORDER

¶4. (C) Also surprising -- though logical -- is former CHOD Panagiotis Chinofotis's move from defense to deputy minister-in-chief of the Public Order Ministry, which has been subsumed under the Ministry of the Interior headed by Minister Pavlopoulos. Karamanlis has long been said to favor combining Public Order with Interior. Doing so now allows him to oust outspoken and controversial Minister Polydoras, who had become a lightning rod for criticism. Bringing in Chinofotis -- known as a tough disciplinarian -- gives Karamanlis a chance to bring order and energy to the police and the firefighters at a time when both services are being criticized for ineptitude. For now, Intelligence Service (EYP) Chief Corandis, also organizationally under the Ministry of Public Order, and Police Chief Dimoskakis remain in place. As expected, Minister of Justice Papaligouras has left the Cabinet and been replaced by Sotiris Hatzigakis, an ND veteran who served as Labor Minister and Agriculture Minister in the late 1980s and early 1990s.

ECONOMIC MINISTRIES

¶5. (C) Karamanlis will keep his economic A Team on the field in order to advance the tougher elements of his economic-reform agenda. The government will face an urgent need to implement pension reform, much needed before an expected demographic crunch in 2012, and tax reform, which will entail greater enforcement to sustain receipts as further rate cuts are implemented. Thus, both George Alogoskoufis will remain as Minister of the Economy and Finance and Adonis Bezas as his deputy responsible for tax collection. Former Deputy Finance Minister responsible for EU program implementation Christos Folias will move over to lead the Ministry of Development, which is responsible for the critical energy sector. Folias is replacing trusted Karamanlis political confidant Dimitris Sioufas, who has become president (speaker) of the parliament. Sioufas will be responsible maintaining party discipline in order to shepherd controversial budget and reform legislation through the new, less-ND-friendly parliament.

¶6. (C) The Ministry of Merchant Marine, formerly headed by Manolis Kefalogiannis, who was known for alienating others in the GOG, has been combined with the Ministry for the Aegean. Former Deputy Minister for Public Order Vangelis Voulgarakis will be the new minister for the Aegean, while former Chairman of the Parliamentary Foreign and Defense Committee Panos Kammenos will be his deputy minister.

AND JOBS FOR FRIENDS

¶7. (C) Karamanlis has also taken care of a few friends and trusted insiders. As expected, the PM retained Theodoros Roussopoulos -- one of the most influential figures in the GOG -- as government spokesman. Karamanlis depended heavily on Roussopoulos to handle GOG PR during the recent fires, calling him back to his position from a campaign for parliament with a promise to name Roussopoulos as one of five "leader's choice" MPs. Karamanlis has also brought back former ND spokesman and friend Aris Spiliotopoulos as Minister of Tourism.

BIOGRAPHIES

¶8. (SBU) The following are capsule biographies of the new ministers and deputy ministers mentioned above:

EVPRIPIDIS STYLIANIDIS, minister of National Education and

Religion (former deputy foreign minister): Born in Komotini, 1966. Profession: Lawyer - Researcher at the European Centre for Public Law. Studies: Law, Dimokritio University of Thrace; Ph.D. in Constitutional Law, University of Hamburg. Foreign Languages: English, German. MP (ND) for Rodopi, Thrace, since 2000. Member of the parliament Standing Committee on Defense and Foreign Affairs, and of the committee for the Revision of the Constitution. Alternate delegate to the NATO Parliamentary Assembly. Member of the ND Transportation and Communications Section; responsible for matters concerning the Post Office, the Post Office Savings Bank, and the Internet. Alternate member responsible for ND section on Foreign Affairs, the Balkans and national and legislative matters pertaining to National Defence. Member of the ND investigation committee into Olympic Airways. Member of the Union of Greek Constitutional Law Specialists, the Greek-German Union of Jurists, and the Pan-European Union on Legislation.

PETROS DOUKAS, deputy minister of Foreign Affairs (former deputy minister of Economy and Finance): Born in Athens 1952. Married to Ileana Evert, daughter of senior ND figure Mitiades Evert. Three children. Speaks English. Ph.D. in Economics from New York University, M.A. in Economics from New York University, MBA from Columbia University, B.A. in International Affairs from George Washington University. 1979-1985: Chairman, CEO and Principal of Capital Partners S.A., one of the leading private investment banking, deal-structuring, and advisory firms, based in Athens, with extensive relationships with the leading Greek financial institutions and the leading Greek corporate and shipping firms. Chairman of the Board of Directors of Ericsson Hellas S.A. Co-Chairman of the Board of Directors of Pepsico-lvi Greece S.A. Chairman of the Board of Directors of AGET Heracles General Cement Company (January 2001-June 2001). President of the Hellenic Golf Federation. Member of the Board of Directors of Petzetakis S.A. (maker of plastic pipes, hoses, and construction paints), the Eliza Goulandris Foundation, the American-Hellenic Chamber of Commerce, the Konstantine Karamanlis Institute of Democracy (also Member of the Executive Committee).

KOSTAS TASOULAS, deputy minister of Defense. Born 1959. Former mayor of Kifissia (1994-98). Lawyer by training. Associated with former leader of ND Evangelos Averoff (now deceased). This is his first government appointment.

YANNIS PLAKIOTAKIS, deputy minister of Defense. Born 1968. Trained as a biochemist in Wales. Also holds a postgraduate degree in Business Administration from the City University Business School, London. This is his first government appointment.

PANAYOTIS CHINOFOTIS, deputy minister-in-chief of Public Order (former Admiral and CHOD). Born 1949. Entered the Naval Academy in 1967. Advanced steadily through the Hellenic Navy hierarchy, holding both fleet and staff billets. Attended the U.S. Naval War College and obtained an MA degree from Salve Regina University. In 2005, appointed chief of the armed forces (CHOD). In June 2007, accepted an offer by Karamanlis to be included in ND's state list. Resigned from the military shortly before the elections causing a furor among opposition columnists. Universally respected for his organizational skills and his strict observance of discipline.

SOTIRIS HATZIGAKIS, minister of Justice (former first deputy president of parliament). Born 1945. Lawyer. Studied Law and Political Science in Athens, France, and England. Member of ND since its inception in 1974. Labor minister and alternate Agriculture minister in 1989 and Agriculture minister, deputy National Economy minister, and alternate Commerce minister in the Mitsotakis administration (1990-93). First deputy president of parliament 2004-2007.

CHRISTOS FOLIAS, minister of Development (former deputy minister of National Economy and Finance): Born in Thessaloniki, 1951. Studied economics at the American

University of Beirut, Lebanon. Served as board chairman of the Commercial Association of Thessaloniki and of the National Confederation of Greek Commerce as well as vice president of the Eurocommerce firm. Member of New Democracy's central committee and of the Constantine Karamanlis Foundation for Democracy. Elected to the European Parliament from the New Democracy party in 1999. Married, two daughters and a son.

GEORGIOS SIOUFAS, president of parliament (former minister of Development): Born in Ellinopyrgos, Karditsa, 1944. Married to Kaity Anagnostaki, two sons and a daughter. Lawyer. Studies: Political Science and Public Administration, Panteion University, Athens; Law, Aristotle University of Thessaloniki. Foreign Languages: English. MP (ND) for Karditsa since 1981. ND Parliamentary Spokesman 1990-1991, 1993-1996, and 1997-2000. Member of the Parliamentary Committee on Public Enterprises, Banks and Public Utilities. Elected Secretary General of the ND Parliamentary Group April 2000. Deputy Minister for Health, Welfare and Social Security, 1991-1992; Minister for Health, Welfare and Social Security, 1992-1993. Member of the ND Central Committee 1979-1985, 1994-1997, and 1997 to date. Member of the ND Executive Committee since 1997. Director general of the National Organization for Small and Medium-Sized Enterprises and Handicrafts (1977-1981). Alternate vice-chairman of the Deposits and Loan Fund 1980-1981.

GEORGIOS VOULGARAKIS, minister of the Aegean and Island Policy (former deputy minister of Public Order): MP Athens A. Born 1959. Married to Katerina Peleki, two sons and a daughter. Economist. Studies: Economics, University of Piraeus and University of Athens. Ph.D. in Economics, University of Athens. Foreign Languages: English. MP (ND) for Athens A since 1989. Member of the Parliament Standing Committee on Foreign Affairs and Defense and a member of the Greek Parliamentary delegation to the Council of Europe and the Western European Union. Deputy Minister for the Environment, Town Planning and Public Works, 1992-19. Member of the Central Union of Students (@OTIS KAMMENOS, deputy former chairman of the for Foreign and Defense 1965. Married to El Economist. Studies: Administration, Univ of Lyon, France; the Management School of Switzerland. Foreign Languages: French, English. Parliamentary activities. Elected MP (ND) for Athens B in the general elections of 1993, 1996, 2000, and 2004. Kammenos actively participated in several committees of the Greek parliament, such as the Standing Committee of Defence and Foreign Affairs, where he served as president, and the Standing Committee on Public Administration, Public Order and Justice, as a member. Secretary of the presidium of parliament since 1996. Former

SIPDIS
vice-chairman of the all-party Committee on Traffic Accidents. Head of the Greek delegation to the Parliamentary Assembly of the Organization for Security and Cooperation in Europe (OSCE PA). Vice-president of the OSCE-PA, Special Representative of the President OSCE PA on Anti-Terrorism issues, Chairman of the Group of Christian-Democrats, Conservatives and like-minded in the OSCE PA and member of the EPP Political Bureau. Founding member of the Glyfada branch of ONNED, the ND youth organization. Active in the student union movement abroad.

ARIS SPILIOPOULOS, minister of Tourism (ND spokesman in the late 1990s). Born 1966. Single. Entered politics in 2000, obtaining election in Athens B district. Studied political science in Athens and London. Chosen by Karamanlis to be the party spokesman when Karamanlis was first elected leader of ND in 1997. Attracted often vitriolic reactions from the press and broadcast media for his stilted style and apparent weakness on the issues. Dropped as spokesman after ND defeat in 2000, though he remained a personal friend of Karamanlis.

COUNTRYMAN